Parole Board of Canada | Commission des libérations conditionnelles du Canada

Quarterly Financial Report for the Quarter ended June 30, 2016

Canada

Parole Board of Canada

Introduction

This quarterly report has been prepared by management as required by section 65.1 of the *Financial Administration Act* and in the form and manner prescribed by the Treasury Board Accounting Standard 1.3. This quarterly report should be read in conjunction with the Main Estimates and Supplementary Estimates. It has not been subject to an external audit or review.

Authority and Objectives

The Parole Board of Canada (PBC or the Board) is an independent administrative tribunal responsible for making decisions about the timing and conditions of release of offenders to the community on various forms of conditional release. The Board also makes record suspension decisions and recommendations for the exercise of clemency through the Royal Prerogative of Mercy (RPM).

Legislation governing the Board includes the *Corrections and Conditional Release Act* (CCRA), the *Criminal Records Act* (CRA), and the *Criminal Code*. The CCRA empowers the Board to make conditional release decisions for federal offenders and offenders in provinces and territories without their own parole boards. Provincial Boards currently exist in Quebec and Ontario. The CRA entitles the Board to order, deny and revoke record suspensions for convictions under federal acts or regulations. The Governor General or the Governor in Council approves the use of the RPM for those convicted of a federal offence, in all jurisdictions, based on investigations by the Board and recommendations from the Minister of Public Safety.

The Board has one strategic outcome: Conditional release and record suspension decisions and decision processes that safeguard Canadian communities. This strategic outcome is the cornerstone of the Board's public accountability and reporting of results.

Further details on the Board's authority, mandate and program activities may be found in the PBC's Report on Plans and Priorities.

Basis of Presentation

This quarterly report has been prepared by management using an expenditure basis of accounting. The accompanying Statement of Authorities includes the Board's spending authorities granted by Parliament and those used by the department, consistent with the Main Estimates and Supplementary Estimates for the 2016-2017 fiscal year. This quarterly report has been prepared using a special purpose financial reporting framework designed to meet financial information needs with respect to the use of spending authorities.

The authority of Parliament is required before moneys can be spent by the Government. Approvals are given in the form of annually approved limits through appropriation acts or through legislation in the form of statutory spending authority for specific purposes.

When Parliament is dissolved for the purposes of a general election, section 30 of the *Financial Administration Act* authorizes the Governor General, under certain conditions, to issue a special warrant authorizing the Government to withdraw funds from the Consolidated Revenue Fund. A special warrant is deemed to be an appropriation for the fiscal year in which it is issued.

The Board uses the full accrual method of accounting to prepare and present its annual departmental financial statements, which are part of the departmental performance reporting process. However, the spending authorities voted by Parliament remain on an expenditure basis.

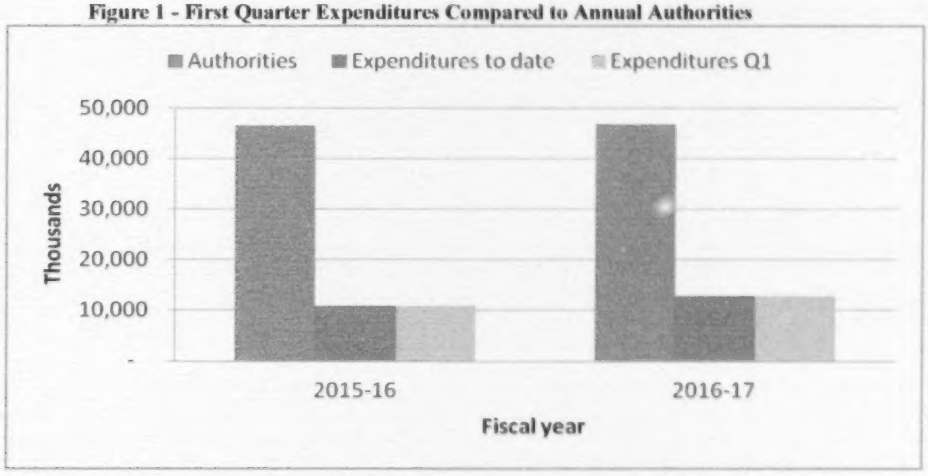
Highlights of Fiscal Quarter and Fiscal Year-to-Date Results

Significant Changes to Authorities

As at June 30, 2016, total authorities available for the year have increased by $0.2M compared to the same quarter of the previous year, from $46.6M to $46.8M. The major changes are as follows:

- An increase of $0.1 million related to funds received for The Canadian Victims Bill of Rights;
- An increase of $0.1 million related to the Employee Benefit Plan.

Figure 1 - First Quarter Expenditures Compared to Annual Authorities



Significant Changes to Gross Budgetary Expenditures

Quarterly and year-to-date spending, net of revenue, increased by $1,896K or 17% in 2016-17, compared with the same quarter in 2015-16. Gross budgetary expenditures increased by $1,872K or 16% in 2016-17 compared to 2015-16, and revenue decreased in 2016-17 by $24K, or 3%, compared to 2015-16.

The following paragraphs provide detail of significant changes.

- Personnel expenditures increased by $1,432K, or 13%, in the first quarter of 2016-17. The majority of this increase is due to an extra pay period in 2016-17 compared to the first quarter 2015-16.
- Transport and Communications increased by $116K or 32% from the first quarter of 2016-17 compared to first quarter of 2015-16. The increase is mostly due to a higher travel for training plus additional travel expenditures related to a four month acting assignment for the Regional Director General in the Ontario region.
- Professional and special services expenditures increased by $327K, or 119%, compared with the first quarter last year. This is largely a result of translation costs resulting from a higher volume of translation requests, increased development cost for the Integrated Decision System, as well as a new process from Department of Justice for invoicing legal costs. Whereby, a significant portion of estimated annual fees is paid at the beginning of the year.
- Rental expenditures increased by $17K, or 74%, compared with the first quarter last year, due to the rental of meeting rooms for the annual training on risk assessment
- Repair and maintenance increased by $5K or 45% compared with the first quarter last year. This increase is related to expenditures for the Board's Edmonton Office relocation.
- Loans Investments and Advances is a new amount this year due to salary advances in the amount of $28K made in the first quarter related to various problems in transition to the new pay systems Phoenix.

Significant Changes to Revenues Collected

The number of record suspension applications accepted in the first quarter of 2016-17 was 1,471, which is 3% less than the same quarter of 2015-16. This resulted in a corresponding 3% or $24K decrease in revenues collected in the first quarter of 2016-17, compared to 2015-16.

Risks and Uncertainties

The PBC receives its funding through annual Parliamentary authorities. As a result, its operations are affected by any changes in funding approved through Parliament. The Board collects user fees for processing record suspension applications, and has the authority to spend revenues received during the year on activities related to processing applications for record suspensions. If lower than expected volume persists, this will have an impact on the Board's net financial situation.

Significant Changes in Relation to Operations, Personnel, and Programs

No significant changes in this quarter.

Approval by Senior Officials

Approved by,

Harvey Cenaiko
Chairperson

Cathy Gaudet, CPA, CA
Chief Financial Officer

Ottawa, Canada
August 25th, 2016

Statement of Authorities (unaudited)

(In thousands of dollars)	Fiscal year 2016-2017			Fiscal year 2015-2016		
	Total available for uses for the year ending March 31, 2017*	Used during the quarter ended June 30, 2016	Year-to-date used at quarter-end	Total available for uses for the year ending March 31, 2016*	Used during the quarter ended June 30, 2015	Year-to-date used at quarter-end
Vote 1 – Program expenditures	46,316	12,017	12,017	46,281	10,204	10,204
Less revenues netted against expenditures	5,645	691	691	5,645	716	716
Total net Program expenditures	40,671	11,236	11,236	40,636	9,488	9,488
Budgetary statutory authorities - EBP	6,119	1,530	1,530	5,976	1,474	1,474
Total authorities	46,790	12,856	12,856	46,612	10,961	10,961

Departmental Budgetary Expenditures by Standard Object (unaudited)

(In thousands of dollars)	Fiscal year 2016-2017			Fiscal year 2015-2016		
	Planned expenditures for the year ending March 31, 2017*	Expended during the quarter ended June 30, 2016	Year-to-date used at quarter-end	Planned expenditures for the year ending March 31, 2016*	Expended during the quarter ended June 30, 2015	Year-to-date used at quarter-end
Expenditures						
Personnel	41,694	12,309	12,309	41,472	10,877	10,877
Transportation and communications	3,960	476	476	4,428	360	360
Information	374	14	14	327	11	11
Professional and special services	5,362	601	601	4,491	274	274
Rentals	198	40	40	240	23	23
Repair and maintenance	142	16	16	103	11	11
Utilities, materials and supplies	424	16	16	455	25	25
Acquisition of machinery and equipment	265	5	5	739	15	15
Other subsidies and payments	16	42	42	2	80	80
Loans Investments and Advances	-	28	28	-	-	-
Total gross budgetary expenditures	52,435	13,547	13,547	52,257	11,676	11,676
Total revenues netted against expenditures	5,645	691	691	5,645	715	715
Total net budgetary expenditures	46,790	12,856	12,856	46,612	10,961	10,961

***Includes only Authorities available for use and granted by Parliament at quarter end.**